



Employee training and development in banking sector

¹Tanaya Walia, ²Dr. Ravindra Kumar Kushwaha

¹Research Scholar, Dept. of Management, Sri Satya Sai University of Technology & Medical Sciences, Sehore, Madhya Pradesh, India.

²Sri Satya Sai University of Technology & Medical Sciences, Sehore, Madhya Pradesh, India.

Abstract

In the world of training and development, impact measuring program is a frequent discussion topic. Everyone seems to be searching for the perfect measurement system to increase organizational capabilities, performance and link them with the business strategy. Human resource practitioners, organization development consultants, training managers, and senior managers realize that any training and development activities should eventually show a positive return and improve the bottom line. Hence, the training and development has an important role in the human resource management.

It is generally agreed that human beings began amassing knowledge at the beginning of the stone-age. As they invented tools, weapons, clothing, shelter and language, the need for training became an essential ingredient in the march of civilization. It is equally true for Banking Sector. As we are moving towards knowledge economy and banking sector plays important role. Hence enhancing employee knowledge is important aspect.

Keywords: Training, Development, Human Resources, Employee, Performance

1. Introduction

Human Resource Management is the management of human resources. Main objective of HR Department is to maximize employee performance in their job. It is equally true for banking sector. HR is primarily concerned with the management of people with-in organizations, focusing on HR policies and Training & Development of Human Resources. Human Resource Department are concerned with organization benefits through overseeing employee-benefits design, employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems). Training and development is the part of human resource management which is concerned with development of employee through training.

2 Training and Development

Training refers to the process of imparting specific skills. An employee undergoing training is presumed to have had some formal education. No training program is complete without an element of education. Hence, we can say that training is offered to operatives.

Development means those learning opportunities designed to help employees to grow. Development is not primarily skills oriented. Instead it provides the general knowledge and attitudes, which will be helpful to employers in higher positions. Efforts towards development often depend on personal drive and ambition. Development activities such as those supplied by management development programs are generally voluntary in nature. Development provides knowledge about business environment, management principles and techniques, human relations, specific industry analysis and the like is useful for better management of a company.

Dale S. Beach defined training as “the organized procedure by which people learn knowledge and/or skill for a definite purpose”. Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization acquire and apply the knowledge, skills, abilities, and attitudes needed by a particular job and organization.

According to Edwin Flippo, “Training is the act of increasing the skills of an employee for doing a particular job”.

Training and development has been given various definitions by various authors. In fact, there seems to be no definition that can stand on its own as every definition seems to complement one another.

According to Nwachukwu (1958), “Training is organizational efforts aimed at helping an employee to acquire basic skills required for the efficient execution of the functions for which he was hired, while development deals with the activities undertaken to expose an employee to perform additional duties and assume positions of importance in the organizational hierarchy”. Williams (1963) said “Trainees are for the future force rather than for today and so more element of manpower forecasting is inevitable if the manpower training and forecasting is to be successful”. Ubeku (1975) defined management training as the process of developing manager’s knowledge, skills and attitudes through instruction, demonstration, practice and planned experience to meet the present and future needs of the organization. He opined that training is a continuous process in any organization.

Boctomley (1983) drew a distinction between training and development. He defined training as the acquisition of knowledge and skills and that development concerns changes in attitudes and behavior.

John (1983) defined training as that process which attempts to

fill the gap between what an employee has to offer by way of accumulated skill, experience and aptitudes and that which is demanded by the job.

Cowlen (1990) corroborated the above definitions of training and development when he defined training as the systematic development of the attitude knowledge and skill behavior pattern required by an individual in order to perform adequately a given task or job and opined that development represents one of the most important activities in an organization which might even be said to be the most important activity because the success of an industry is directly affected by the caliber of its management.

Cascio (1991) said training activities are planned programs of organizational improvement undertaken to bring about a relatively permanent change in employees knowledge (e.g. familiarity with all the items in a particular product line). Skills (e.g. ability to deal diplomatically with customers, attitudes (e.g. satisfaction with training which leads the employees to seek out further training) or behavior (e.g. acceptable performance of the job for which training was provided).

According to Ghartey (1993), "Training is expected to supplement education by developing or augmenting the knowledge skills, and attitudes a person has acquired from education with a view to enabling the person to apply them in specific work or practical situations.

Beach (1995), defined training as the organized procedure by which people learn knowledge and/or skills for a definite purpose. He said the objective of training is to achieve a change in the behaviour of those trained in the industrial situation this means that the trainees shall acquire new manipulative skills, technical knowledge, problem solving ability or employees apply their newly acquired knowledge and skills on the job in such a way so as to aid in the achievement of organizational goals.

Mckenna and Beech (1995), regarded training and development as interactive, each complementing the other. According to them, training as a vehicle for Human Resource Development is concerned with improving the skills of employees and enhancing their capacity to cope with the ever changing demands of the work situation which could also make a positive contribution to the empowerment of employees on the other hand, management development is an activity that sets out to ensure that the organization has the present and future with confidence.

However, Kamoche (1997) reminds us: The Human Resource refers to the accumulated stock of knowledge, skill and abilities that the individual possess, which the firm has built up overtime into an identifiable expertise through training and development of its employees. If Human Resource Management is to fulfill its aim of valuing human "assets", it is necessary to invest in them. This implies a positive attitude towards training and development.

In addition, Fanibuyan (2001) defined training as the systematic process of altering the behaviour and or attitudes of employees in a direction to increase organizational goals and development as programme generally aimed at educating supervisory employees above and beyond the immediate technical requirement of the job and have a main objective of the improvement of the effective performance of all managers.

In the world of training and development, impact measuring program is a frequent discussion topic. Everyone seems to be searching for the perfect measurement system to increase organizational capabilities, performance and link them with the business strategy. Human resource practitioners, organization development consultants, training managers, and senior managers realize that any training and development activities should eventually show a positive return and improve the bottom line. Hence, the training and development has an important role in the human resource management.

It is generally agreed that human beings began amassing knowledge at the beginning of the stone-age. As they invented tools, weapons, clothing, shelter and language, the need for training became an essential ingredient in the march of civilization.

However, our ancestors stumbled upon or invented the various facets of civilization, which are very little significance, they transmitted the knowledge and skills acquired by them from generation to generation. This was done through various methods. Through these methods, the development process called training came into operation. Before industrial revolution the methods of training in agriculture, trade and business, crafts were not very formal. The techniques were learnt from father to son gradually through practice. The experienced persons were highly recognized in these fields.

The twentieth century saw dramatic changes within the world of work, and the twenty-first appears to have continued the theme of change. Organizations have evolved in terms of purpose, size, structure, management philosophy and relationships with the outside world. Technological advances have revolutionized all work methods, and for many organizations the operational horizon has moved from a small geographical area to literally the world; for government, 'being competitive' is now a global (as opposed to a selective international) requirement. Everything has speeded up, including the pace of change itself.

It is natural that in a period of change and opportunity, approaches to learning, development and training have grown in importance, broadened in scope, and became more sophisticated in method. Once the object of training would have been the individual employee, and the training method would involve teaching. Now, the picture is much more complex: training may involve any grouping up to and including the nation itself, and even sometimes may have an international dimension. It may also extend to non-employees such as suppliers, customers or outsourcers. Learner-centered activities are becoming just as important as if not more important than, those that are teacher or tutor led. Learning is no longer mainly the province of the psychologist or sociologist: researchers in fields such as systems engineering, artificial intelligence, cybernetics, communications technology, management and even biology have extended relevant theory by drawing on their own specializations, extending and modifying ideas originally geared only to a human dimension. The organizations think of individuals as being 'able to learn', and indeed of both as being capable of 'learning to learn' - which means much more than acquiring knowledge of how learning happens.

Training gained importance during the world wars. World War-I promoted a tremendous stimulus for training. To fulfill

the sudden demand of military requirements, the organizations set up training wings to train new workers to meet the challenges of huge supplies of war front. During World War-II the management of defense in America found that without training, skilled supervisors were unable to produce adequately for the war effort. The wartime trainers had to move vast number of people through orientation, attitude building and technical instruction. To achieve this, they turned increasingly to variety of tools and aids for training during this period. They came up with Job Instruction Training (JIT) for better management of the war operations. After war these tools, techniques and training aids were successfully introduced in industries. They include training films and filmstrips, stimulators, flipchart, flannel boards and models. Role playing was also used as an important training method.

During World War II crisis approached and as the United States moved into the "defense era," these same men and women were ready to accept the call for service in the defense industry to replace young men drafted into the Armed Forces. They took to welding training, machinist training, and specialized job training of many kinds without fear or undue urging. Then business and industry came face to face with the reality that they had too long ignored. Suddenly the training function of the supervisor became paramount. In fact, management found that without training skills, supervisors were unable to produce adequately for the defense or the war effort. With it, new production records were being established by the aged, the handicapped, and industrially inexperienced women.

In the later part of 1950s, business games were used as a popular method for decision simulation, videotape and television began to be used successfully. By the end of 1960s and in 1970s assessment centers caught the attention as the best way for executive appraisal of performance and potential, and also as a means of training. Programmed instruction was one of the most popular techniques used for training during this period. Organization Development (OD) gained acceptance during the 1960s and became the most talked about training techniques or practice in 1970s. The 80s popularized Quality Circle (QC) movements. In this period emphasis was on quality through training. The 90s saw growth in the use of computers for training, and behavior modeling for management skills training. More emphasis was on career development of employees during this period. Late 1980s and 1990s witnessed rapid growth in Information Technology (IT and Business Process Outsourcing (BPO)). This growth modified training activities. It enlarged training avenues and the ways and means of training. It made training process easier, more systematic and tailor made as per need for improvement in performance as well as building potential of technical and non-technical managers.

It is an accepted fact that besides money, materials and machines, the success of any organization depends upon the quality of its human resource. In the wake of increased competition, opening of the Indian economy, development of global village concept, people have become pivot around which successful organizations rotate. In the light of these, the training and development function in organizations gained momentum and recognized as a tool to help people to grow within the organization and retain them.

To be productive and profit making, organizations need efficient and effective workforce. To manage and maintain this workforce, organizations require skilled and knowledgeable executives. Skilled and competent executives can direct the efforts in right direction and reach the organization objectives. The impact of innovations, technological advances, market driven economy, and consumerism has forced many organizations to opt for modernization, diversification and organization restructuring. The liberalization of economy has changed the environment for our managers and workforce. The protective layer has gone, and the world is now in the age of competition not only from within but also from the technologically advanced and capital rich organizations of the developed countries. The organizations opting for this change have to prepare its team to accept the challenges posed by the change process. They have to be prepared, developed and updated, accordingly. Their effectiveness would largely be determined by success of the organizations on the following counts; the redefining of the objectives and the mission of their organization, appraisal of the existing activities, phasing out those with low or negative returns, or rendered irrelevant, unless required for strategic reasons; increasing productivity of all the resources developed in the organization, shifting to new markets, new products from selling to marketing, all with customer satisfaction. Organizations would need to gear up all their resources to well defined market orientation strategies, human resource development, research and development, and technology up gradation. Therefore, it is necessary for any organization to have trained and developed executives. Change in strategy, structure, and work processes often leave executives unsure of their roles and related responsibilities.

Training has existed from the inception of human being in different forms in the society. It is a medium to pass different skills from one generation to another. But with change in time, the magnitude of training has undergone sea change. Growth and development in technology has developed variety of methods and techniques in the way of training. These changes have added new dimensions to training and influenced the requirement of training. Training of human resource is carried out at macro and micro level. At macro level training is necessary for generating awareness among people on social issues, educating people and spreading literacy in society for giving people an opportunity to live a better life. Training activities at micro level are oriented towards development of people working in the organization *to* perform better in their job and develop their competency on the job for growth of the organization. Thus everyone takes training in some or other form for survival and sustenance on this planet.

Scope of training has also shifted from technical skill based to knowledge and interpersonal skill covering a wide zone ranging from manufacturing industries to service sector at micro level. The emphasis and awareness on quality of products manufactured and service provided has increased the need for training of all those involved in this process. Growing quality consciousness among customers and competition in market is forcing organizations to have quality employees to give quality products and services.

Inability to provide training and development opportunities can have grave consequences for society, organization and the

individual. Poor training and lack of facilities for self-development can be a great impediment to growth of the society and shall lead to greater disparity among have's and have not's. In an organization poor or no training shall mean its slow death due to obsolete people. Also for any individual it shall mean stagnancy in career-life and demoralization. Thus training and development activities improve performance in present job, improve quality, and increase productivity, also, decrease absenteeism and employee turnover, reduce accident rate, and help people to have vision for future business environment. Managers get the work done through coordination and direction of the efforts of others. Managers are organization members responsible for planning, organizing, leading and controlling the activities of the organization so that its goals can be achieved. For the business to improve, the skills of its managers need to be improved. Hence, managing for success requires a comprehensive set of managerial skills.

Human skills refer to the ability to work effectively with others and to build up group relations to accomplish the organizational goals. These skills include the ability to communicate, motivate and lead. Conceptual skills make it possible for a manager to consider an enterprise as a whole and evaluate the relationships, which exist between various parts or functions of a business. Such skills are concerned with the realm of ideas and creativity. Top managers in particular need these skills because they have to co-ordinate all the activities of the organization. Therefore it may be said that technical skill is an essential ingredient in low-level management; human skills are important at all levels of the management; and conceptual skill is essentially critical in top executive positions.

As change continues with time, the functioning and roles of manager should be changed. Organizations are being restructured and redesigned to be lean, flexible and adaptable to change; managers in all areas and at all levels of the organization are expected to be proactive, team-oriented, and focused on results and for this they need special set of managerial skills and competencies. The availability of effective managerial personnel is a critical constraint and, in fact, it is often stated that managers are the most expensive and also the most critical resource in operating any business enterprise. Moreover, it is also the resource that depreciates rapidly and needs a more or less constant updating, essential for maintaining a high degree of managerial effectiveness and it can take place mainly through a continuous updating and development of the knowledge and skills of the managers operating at various levels. Drucker (1977) suggested five habits of the mind that have to be acquired to become an effective executive and consequently effective organization. These habits are management of time, orientation to result, setting and keeping of priorities, decision -making and strength building.

The manager responsible for training is required to review the short- term and long term objectives of the firm in order to determine the direction and purpose of training activities. Where a firm plan to grow in, its existing field- or to diversify, to increase its range of products or services, it is creating new needs for trained people at all levels of the business.

These development programmes are intended to train the

employees in the use of skills.

Katz (1955) classified such skills into three types:

1. Technical Skill
2. Conceptual Skill
3. Human Skill.

Going by the various perspectives on training and development, one can concisely say that training has to do with the altering of behavior, knowledge, and/or motivation of employees in a direction to increase organizational goal accomplishment while development means the advancement in one's experience, skills and attitudes to become or remain successful leaders in organizations.

3. Conclusion

Employee training, which is a subsystem of Human Resource Development is a specialized function and is one of the fundamental operations of Human Resource Management. Training is an organized activity for increasing the knowledge and skill for a definite purpose. Training thus involves systematic procedures for transferring technical expertise to motivate employees to increase their knowledge and skills for doing specific jobs with proficiency. After employees have undergone training, they acquire technical knowledge (skills) and problem-solving ability. Training also improves and changes employees' aptitude (capacity) and attitude (approach, and mind-set) towards the requirements of the job and organization.

References

1. Cole GA. Personnel management: Theory and practice. London: Letts Educational Aldine, 1997.
2. Sloman M. A handbook for Training Strategy. London: University Press, 1997.
3. Kroehnert G. Basic Training For Trainers. Sydney: McGraw-Hill Book Company, 1995.
4. Stout D. Performance Analysis for Training. Ontario: Niagara Paper Company, 1995.
5. Armstrong M. Human Resource Management Practice. New York: Kogan Page, 1977.
6. Berger S. Training shouldn't be the first to go, *Modern Healthcare*, 2000, 30(8).
7. Huselid MA. The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 1995, 38.
8. McLagan PA. Models for HRD Practice. St Paul, Minnesota: ASTD Press, 1989.
9. Bartel P. ANN, Productivity Gains from the Implementation of Training Program, *Industrial Relations: A Journal of Economy and Society*, 1994, 33.
10. Hill CE, Lent RW. A Narrative and Meta-analytic Review of Helping Skills Training: Time to Revive a Dormant Area of Inquiry. *Psychother. Theory Res. Pract*, 2006, 43.
11. Satterfield JM, Hughes E. Emotion Skills Training for Medical Students: A Systematic Review. *Med. Educ*, 2007.